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Turkey

Grain and Feed

Wheat and Barley Update

2005

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Report Highlights:
Rains in recent months have been good for grain production. Most of the vegetation problems due to dry weather last fall, especially in the Central Anatolia Region, have improved. However, southern parts of the main production areas still need rain through mid-June. Turkey is expecting good crops in MY 2005, but still slightly under the last year's levels. MY 2004 wheat imports are revised down and exports are increased slightly

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Ankara [TU1]
[TU]

Wheat

This spring, rains have been favorable for grains in most parts of Turkey. As a result, projections for grain production have improved since our last Annual Report (TU5006). However, southern parts of the Central Anatolia Region (Konya and Karaman Provinces), which is part of the main grain producing area, and eastern Aegean Region (Afyon Province), still need rains. Rains until mid-June will be useful for improving the grain yields in these regions. The PSD production estimate for wheat was revised slightly upward as a result of expected yield increases. Even though more reliable estimates will be obtained after the harvest is completed, we estimate at this point that total wheat production will be slightly under the last year's level. The quality of grains looks good this year. Sunni bug does not seem be a severe problem.

The Prime Minister recently announced a premium for wheat. He stated that the GOT would pay a premium of TL 30,000 per kilogram (approx $22/ton) for wheat producers regardless of whether they sell their product to TMO or to millers and traders. The only requirements are that they should be registered farmers and that they register their sales at the commodity exchanges, if not selling to TMO. Prime Minister also announced that TMO would buy a maximum of 30,000 MT of wheat from each farmer. Payments for the first 10,000 MT will be made as cash at the delivery and for the remaining part one month later. The GOT is aiming to complete the registration of farmers, which started a few years ago with the direct payment system, with this premium system. The GOT will limit the quantity TMO buys from farmers for the first time in order to reduce the burden on TMO.

The Prime Minister did not announce any procurement price, but stated that farmers may deposit their products at TMO silos and receive a voucher. As he also stated, farmers may use these vouchers at banks to receive loans. Farmers depositing their products at TMO silos is not totally new. However, receiving loans from banks with these vouchers will be new. With this system, the GOT is expecting that farmers will not sell all of their products right after the harvest, but will keep it at silos and sell it later to protect themselves from the lower prices of the harvest time.

Turkish wheat exports were revised upward and imports were revised downward due to larger supply in MY 2004. Because of relatively high stocks, Turkey did not import duty-free wheat from the EU as per their bilateral agreements. The increase in exports is driven by wheat flour exports. The reasons for the increase in MY 2004 compared to the year before, in addition to the increase in supply, may be explained as follows:

1. The quality of wheat was better because the Sunni Bug damage was much smaller.
2. Demand for flour was larger, like the case of Iraq.
3. Flour millers learned how to develop the international markets for exports, like the case for Sri Lanka.
4. Transportation with containers created advantages conditions for Turkish millers versus the EU millers. This made Turkish millers more competitive in African markets.
5. While flour and pasta exporters were not allowed to import wheat against export receipts this year (as they have been allowed in the past), they were able to procure wheat from TMO at prices below TMO procurement prices against export receipts. While this wheat was not likely the same quality as imported wheat, the availability of low-priced TMO stocks for flour exporters gave them a confidence of a steady supply.

Barley

The growing conditions for barley are very similar to wheat as described above. Similar to wheat, barley production was also revised slightly upward as a result of expected yield increases in MY 2005. The MY 2004 production estimate for barley was revised slightly upward, because of higher yields.

Statistical Tables

PSD Table for Wheat

Turkey Wheat							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		06/2003		06/2004		06/2005	MM/YYYY
Area Harvested	8600	8600	8600	8600	8600	8600	1000 HA
Beginning Stocks	1258	1395	1315	2045	1415	1645	1000 MT
Production	16800	16800	18000	18000	17000	17500	1000 MT
TOTAL Mkt. Yr. Imports	1096	1485	600	500	1200	1000	1000 MT
Jul-Jun Imports	1056	1453	600	500	1200	1000	1000 MT
Jul-Jun Import U.S.	55	111	0	100	0	100	1000 MT
TOTAL SUPPLY	19154	19680	19915	20545	19615	20145	1000 MT
TOTAL Mkt. Yr. Exports	839	735	1300	1500	1000	1200	1000 MT
Jul-Jun Exports	854	736	1300	1500	1000	1200	1000 MT
Feed Dom. Consumption	1000	1000	1000	1300	1000	1000	1000 MT
TOTAL Dom. Consumption	17000	16900	17200	17400	17400	17400	1000 MT
Ending Stocks	1315	2045	1415	1645	1215	1545	1000 MT
TOTAL DISTRIBUTION	19154	19680	19915	20545	19615	20145	1000 MT

Export Trade Matrix for Wheat

Turkey
Wheat

Time Period	June-March	Units:	Metric Tons
Exports for:	2004		2005
U.S.	9	U.S.	
Others		Others	
Algeria	52500		
Yemen	26000		
Israel	15683		
Syria	5250		
Germany	202		
Macedonia	64		
Northern Cyprus	61		
United Kingdom	28		
Austria	23		
Belgium	16		
Total for Others	99827		0
Others not Listed	75		
Grand Total	99911		0

Import Trade Matrix for Wheat

Turkey
Wheat

Time Period	June-March	Units:	Metric Tons
Imports for:	2004		2005
U.S.	88619	U.S.	
Others		Others	
Russia	157643		
Kazakhstan	105352		
Australia	70403		
Canada	26328		
Ukraine	12812		
Germany	7804		
Bulgaria	4636		
Romania	3095		
Hungry	3019		
Italy	666		
Total for Others	391758		0
Others not Listed	1057		
Grand Total	481434		0

Export Trade Matrix for Wheat Flour

Turkey
Wheat Flour

Time Period	June-March	Units:	Metric Tons
Exports for:	2004		**2005**
U.S.	12	U.S.	
Others		Others	
Iraq	240535		
Libya	159984		
Georgia	90942		
Israel	60204		
Sri Lanka	56396		
Eritrea	45298		
Indonesia	25787		
Azerbaijan	23072		
Angola	21655		
Albania	19401		
Total for Others	743273		0
Others not Listed	87255		
Grand Total	830540		0

PSD Table for Barley

Turkey Barley							
	2003	**Revised**	**2004**	**Estimate**	**2005**	**Forecast**	**UOM**
	USDA Official [Old]	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	**USDA Official [Old]**	**Post Estimate [New]**	
Market Year Begin		06/2003		06/2004		06/2005	MM/YYYY
Area Harvested	3450	3450	3500	3500	3500	3500	1000 HA
Beginning Stocks	673	530	679	463	679	643	1000 MT
Production	6900	6900	7100	7400	6800	7200	1000 MT
TOTAL Mkt. Yr. Imports	223	250	150	100	400	100	1000 MT
Oct-Sep Imports	171	264	150	100	400	100	1000 MT
Oct-Sep Import U.S.	0	0	0	0	0	0	1000 MT
TOTAL SUPPLY	7796	7680	7929	7963	7879	7943	1000 MT
TOTAL Mkt. Yr. Exports	17	17	50	20	0	0	1000 MT
Oct-Sep Exports	0	10	50	20	0	0	1000 MT
Feed Dom. Consumption	6200	6300	6300	6400	6300	6500	1000 MT
TOTAL Dom. Consumption	7100	7200	7200	7300	7200	7400	1000 MT
Ending Stocks	679	463	679	643	679	543	1000 MT
TOTAL DISTRIBUTION	7796	7680	7929	7963	7879	7943	1000 MT

Export Trade Matrix for Barley

Turkey
Barley

Time Period	June-March	Units:	Metric Tons
Exports for:	2004		2005
U.S.		U.S.	
Others		Others	
Georgia	10		
Belgium	5		
Germany	2		
Total for Others	17		0
Others not Listed			
Grand Total	17		0

Import Trade Matrix for Barley

Turkey
Barley

Time Period	June-March	Units:	Metric Tons
Imports for:	2004		2005
U.S.		U.S.	
Others		Others	
Ukraine	43479		
France	30678		
Kazakhstan	15803		
Iraq	3294		
Bulgaria	53		
Total for Others	93307		0
Others not Listed			
Grand Total	93307		0